

**Maine Revised Statutes**  
**Title 35-A: PUBLIC UTILITIES**  
**Chapter 41: MAINE MUNICIPAL AND RURAL**  
**ELECTRIFICATION COOPERATIVE AGENCY ACT**

**§4151. BONDS AND NOTES**

**1. Bonds and notes.** The issuance of bonds, notes and other evidences of indebtedness is subject to the following.

A. The agency may, from time to time, issue its bonds, notes or other evidences of indebtedness in the principal amount as the agency determines is necessary to provide sufficient funds for achieving any of its corporate purposes, including the payment of interest on bonds, notes or other evidences of indebtedness of the agency, establishment of reserves to secure the bonds, notes or other evidences of indebtedness and all other expenditures of the agency incident to and necessary or convenient to carry out its corporate purposes and powers. Without limiting the generality of this paragraph, the bonds, notes or other evidences of indebtedness may be issued for project costs or the agency's share of project costs. [1987, c. 141, Pt. A, §6 (NEW).]

B. The agency may, from time to time, issue notes, renew notes and bonds, pay notes, including the interest on them and, whenever it determines refunding expedient, refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and issue bonds partly to refund bonds then outstanding and partly for any of its corporate purposes. [1987, c. 141, Pt. A, §6 (NEW).]

C. Except as may otherwise be expressly provided by resolution of the agency, every issue of its bonds, notes or other evidences of indebtedness shall be general obligations of the agency, payable out of any revenue or money of the agency, subject only to any agreements with the holders of particular bonds, notes or other evidences of indebtedness pledging any particular revenues. [1987, c. 141, Pt. A, §6 (NEW).]

D. Bonds, notes or other evidences of indebtedness may be issued in accordance with this chapter. [1987, c. 141, Pt. A, §6 (NEW).]

E. The bonds, notes or other evidences of indebtedness shall be authorized by resolution of the agency, bear the date and mature at the time as the resolution may provide. The bonds may be issued as serial bonds payable in annual installments or as term bonds, or as a combination of them. The resolution may provide that the bonds, notes or other evidences of indebtedness bear interest at a given rate or may provide a method of determining a rate, be in certain denominations, in temporary, coupon or registered form, carry certain registration privileges, be executed in a given manner, payable in a given medium of payment, at a place inside or outside the State and subject to specified terms of redemption. The bonds, notes or other evidences of indebtedness of the agency may be sold by the agency, at public or private sale, at the price the agency determines. [1987, c. 141, Pt. A, §6 (NEW).]

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**2. Authorization.** Any resolution authorizing any bonds, notes or other evidences of indebtedness or any issue of them, may contain provisions which shall be a part of the contract or contracts with the bond or noteholders, as to:

A. Pledging, mortgaging or granting a security interest in any real or personal property and all or any part of the revenues of the agency or any revenue-producing contract made by the agency with any person to secure the payment of the notes or bonds or of any issue of them subject to agreements with noteholders or bondholders that may then exist; [1987, c. 141, Pt. A, §6 (NEW).]

B. The custody, collection, securing, investment and payment of any revenues, assets, money, funds or property with respect to which the agency may have any rights or interest; [1987, c. 141, Pt. A, §6 (NEW).]

C. The rates or charges for electricity sold by, or services rendered by, the agency, the amount to be raised by the rates or charges and the use and disposition of any revenue; [1987, c. 141, Pt. A, §6 (NEW).]

D. The setting aside of reserves or sinking funds and their regulation and disposition; [1987, c. 141, Pt. A, §6 (NEW).]

E. Limitations on the purpose to which the proceeds of sale of bonds, notes or other evidences of indebtedness may be applied and the pledging of the proceeds to secure the payment of the bonds, notes or other evidences of indebtedness or of any issue of them; [1987, c. 141, Pt. A, §6 (NEW).]

F. Limitations on the issuance of additional bonds, notes or other evidences of indebtedness the terms upon which additional bonds, notes or other evidences of indebtedness may be issued and secured and the refunding of outstanding or other bonds, notes or other evidences of indebtedness; [1987, c. 141, Pt. A, §6 (NEW).]

G. The procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of bonds, notes or other evidences of indebtedness the holders must consent and the manner in which consent may be given; [1987, c. 141, Pt. A, §6 (NEW).]

H. The vesting in a trustee or trustees, inside or outside the State, of such property, rights, powers and duties in trust as the agency may determine, which may include any of the rights, powers and duties of the trustee appointed by the bondholders pursuant to this chapter and limiting or abrogating the right of the bondholders to appoint a trustee under this chapter or limiting the rights, powers and duties of the trustee; [1987, c. 141, Pt. A, §6 (NEW).]

I. Defining the act or omission to act which constitutes a default in the obligations and duties of the agency to the holders of the bonds, notes or other evidences of indebtedness and providing for the rights and remedies of the holders of the bonds, notes or other evidences of indebtedness in the event of such default, space including as a matter of right the appointment of a receiver, which rights and remedies may vary from those provided in section 4156; and [1987, c. 141, Pt. A, §6 (NEW).]

J. Any other matters, of like or different character, which in any way affect the security or protection of the holders of the bonds, notes or other evidences of indebtedness. [1987, c. 141, Pt. A, §6 (NEW).]

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**3. Pledges.** Any pledge made by the agency is valid and binding from the time when the pledge is made. The revenue, money or property pledged and then received by the agency shall immediately be subject to the lien of the pledge without any physical delivery of it or further act. That pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the agency, irrespective of whether those parties have notice of it. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**4. Liability.** Neither the directors nor executive officers of the agency nor any other person executing the bonds, notes or other evidences of indebtedness may be subject to any personal liability or accountability by reason of the issuance of the bonds, notes or other evidences of indebtedness.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**5. Agency; power.** The agency, subject to whatever agreement with noteholders or bondholders as may then exist, may, out of any funds available for that purpose, purchase notes or bonds of the agency, which shall then be canceled.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**6. Bonds or notes secured.** In the discretion of the agency, the bonds, notes or other evidences of indebtedness may be secured by a trust indenture by and between the agency and a corporate trustee, which may be any trust company or bank having the power of a trust company inside or outside the State. The trust indenture may contain provisions for protecting and enforcing the rights and remedies of the noteholders or bondholders that may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the agency in relation to the exercise of its corporate powers and the custody, safeguarding and application of all money. The agency may provide by the trust indenture for the payment of the proceeds of the bonds or notes and the revenue to the trustee under the trust indenture or other depository and for the method of disbursement, with safeguards and restrictions as it may determine. All expenses incurred in carrying out the trust indenture may be treated as a part of the operating expense of the agency. If the bonds or notes are secured by a trust indenture, the trust indenture may provide that the noteholders and bondholders may not appoint a separate trustee to represent them.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**7. Negotiability of bonds or notes.** Unless the agency expressly provides otherwise, a bond, note or other evidence of indebtedness issued under this chapter is fully negotiable for all purposes of the applicable provisions of Title 11 and each holder or owner of a bond or note, or any coupon appurtenant to a bond or note, by accepting the bond, note or coupon shall be conclusively deemed to have agreed that the bond, note or coupon is fully negotiable for those purposes.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**8. Investment securities.** All bonds, notes and interest coupons appertaining to them issued by the agency have all the qualities and incidents, including negotiability, unless the agency expressly provides otherwise, of investment securities under the applicable provisions of Title 11, Article 8-A, but no provision of Title 11, Article 9-A, respecting the filing of a financing statement to perfect a security interest is applicable to any pledge made or security interest created in connection with the issuance of the bonds, notes or coupons.

[ 1999, c. 699, Pt. D, §25 (AMD); 1999, c. 699, Pt. D, §30 (AFF) .]

**9. Signature; validity.** If any director or executive officer of the agency whose signature appears on any notes, bonds or coupons ceases to be a director or executive officer before the delivery of the notes or bonds, the signature is valid for all purposes, as if he had remained in office until that delivery.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

#### SECTION HISTORY

1987, c. 141, §A6 (NEW). 1991, c. 855, §§1,2 (AFF). 1999, c. 699, §D25 (AMD). 1999, c. 699, §D30 (AFF).

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